

# SILVERSTONE METROPOLITAN DISTRICT NOS. 1, 2 AND 3

## 2021 ANNUAL REPORT

TO

## THE TOWN OF FREDERICK

Pursuant to the Consolidated Service Plan for the SilverStone Metropolitan District Nos. 1, 2 and 3, (the “**Districts**”) are required to provide an annual report to the Town of Frederick. This joint report is filed with regard to the following matters:

A. A narrative summary of the progress of the Districts in implementing the service plan for the report year.

***Demands for new housing development continue to influence timing of projects. As a result, construction of public infrastructure and the financing thereof by the Districts is ongoing as homebuilders seek developed lots within the Districts.***

B. Except when exemption from audit has been granted for the report year under the local government audit law, the audited financial statements of the Districts for the report year including a statement of financial condition (i.e. balance sheet) as of December 31 of the report year and the statement of operations (i.e. revenues and expenditures) for the report year. If exemption from audit, the Districts shall provide a copy of the Request for Exemption and the approval from the exemption.

***The approved 2021 Audits for District Nos. 1-2 and Audit Exemption for District No. 3 will be provided when completed.***

C. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of public facilities in the report year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the report year.

***The attached budget depicts the capital expenditure outlay for 2021, and over the next five (5) years, a majority of the public improvement construction is expected.***

D. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the Districts in the report year, the total assessed valuation of all taxable property within the Districts as of January 1 of the report year and the current mill levy of the Districts pledged to debt retirement in the report year.

***The Districts did not incur any new financial obligations in 2021; District No. 2 has outstanding indebtedness per its Series 2018 Bonds (as shown in the 2021 Audit attached)***

***2021 Assessed Value District No. 1: \$1,250 with 0 debt service mills imposed for 2021, collection 2022.***

***2021 Assessed Value District No. 2: \$2,692,550 with 0 debt service mills imposed for 2021, collection 2022.***

***2021 Assessed Value District No. 3: \$245,170 with 0 debt service mills imposed for 2021, collection 2022.***

E. The Districts' budgets for the calendar year in which the annual report is submitted.

***The 2021 budgets for each District are attached as Exhibit A.***

F. A summary of residential and commercial development in the Districts for the report year.

***None as explained in Part A above.***

G. A summary of all fees, charges, taxes and assessments imposed by the Districts as of January 1 of the report year.

***District No. 1 imposed 55.663 mills in 2021 for collection in 2022, District No. 2 imposed 55.663 mills in 2021 for collection in 2022, while District No. 3 imposed 25.000 mills in 2021 for collection in 2022 as reflected on the attached budgets. No fees, charges or assessments were imposed in 2021.***

H. Certification of the Boards that no action, event or condition enumerated in Section 14.4 (Material Modification) has occurred in the report year.

***See Attached Certificate***

I. The name, business address and telephone number of each member of the Boards and the chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Boards.

***Board telephone numbers: (303) 442-2299***

<i>Jon R. Lee</i>	<i>President</i>	<i>2500 Arapahoe Ave., #220, Boulder, CO</i>
<i>Michael Strear</i>	<i>Vice Pres.</i>	<i>525 Castle Pines Drive South, Castle Rock, CO</i>
<i>Edward Pluss</i>	<i>Treasurer</i>	<i>608 Locust Street, Denver, Colorado</i>
<i>Steve Rane</i>	<i>Secretary</i>	<i>2500 Arapahoe Ave., #220, Boulder, CO</i>

***Regular meetings are scheduled for the 4<sup>th</sup> Thursday of April and October, 9:00 a.m., 2500 Arapahoe Avenue, Suite 220, Boulder, Colorado and/or Zoom.***

***Chief Administrative Officer – Mr. Steve Rane.***

***General Legal Counsel – White Bear Ankele Tanaka & Waldron, 2154 E. Commons Avenue, Suite 2000, Centennial, CO 80122; 303-858-1800***

J. Notice of all inclusions and exclusions shall be provided to the Town. ***No boundary changes in 2021 (note: boundary changes have occurred in 2022 and will be described in the 2022 annual report).***

K. A Summer of any Litigation which involves the District's Public Improvements as of December 31.

***To our actual knowledge, based on a review of the court records in Weld County, Colorado, and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts as of December 31, 2021.***

## **Certification**

STATE OF COLORADO  
COUNTY OF WELD  
SILVER STONE METROPOLITAN DISTRICTS NOS. 1, 2 AND 3

White Bear Ankele Tanaka & Waldron, P.C., acting general counsel and authorized representative for the Boards of Directors of the above Districts for the annual report, hereby certifies, on the Boards' behalf, that during the year 2021, no action, event or condition enumerated in Section 14.4 of the Town of Frederick Code took place within the Districts' boundaries or for which the Districts were made aware, which would have required a service plan amendment.

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

*White Bear Ankele Tanaka & Waldron*

**EXHIBIT A**  
**2021 BUDGETS**

**SILVERSTONE METROPOLITAN DISTRICT NO. 1  
GOVERNMENTAL FUND**

	2019		2020		2021 BUDGET		
	Actual Final	Original Budget	Amended Budget (if applicable)	Projected Final	General Fund Budget	Debt Service Budget	Total Budget
<b>REVENUE</b>							
Taxes							
Property	\$ 310	\$ 132	\$ 132	\$ 132	\$ 67	\$ -	\$ 67
Specific ownership	20	9	6	6	4	-	4
TIF							
Intergovernmental							
Transfers from Silverstone MD No. 2	8,825,000	35,000	2,672,551	2,672,551	1,250,000	-	1,250,000
Transfers from Silverstone MD No. 3	60,000	10,000	12,900	12,900	15,000	-	15,000
Investment income	11,445	-	2,013	2,013	-	-	-
Other	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 8,896,774</b>	<b>\$ 45,141</b>	<b>\$ 2,687,602</b>	<b>\$ 2,687,602</b>	<b>\$ 1,265,071</b>	<b>\$ -</b>	<b>\$ 1,265,071</b>
<b>EXPENDITURES</b>							
Current							
County Treasurer's fees	5	2	2	2	1	-	1
Letter of credit fees	10,529	16,450	10,501	10,501	16,450	-	16,450
Insurance	2,934	2,750	3,006	3,006	3,000	-	3,000
Accounting	24,211	35,000	27,510	27,510	35,000	-	35,000
Audit	7,750	11,250	11,288	11,288	12,500	-	12,500
Legal	11,374	30,000	13,730	13,730	30,000	-	30,000
Director fees	80	80	80	80	80	-	80
Other	597	5,000	1,684	1,684	5,000	-	5,000
<b>Subtotal current</b>	<b>57,480</b>	<b>100,532</b>	<b>67,799</b>	<b>67,799</b>	<b>102,031</b>	<b>-</b>	<b>102,031</b>
Capital outlay							
Work in process	5,921,617	3,500,000	3,750,795	3,750,795	2,567,726	-	2,567,726
<b>Subtotal capital outlay</b>	<b>5,921,617</b>	<b>3,500,000</b>	<b>3,750,795</b>	<b>3,750,795</b>	<b>2,567,726</b>	<b>-</b>	<b>2,567,726</b>
Intergovernmental							
Transfers to Silverstone MD No. 2	3,727	10,000	237,918	237,918	15,800	-	15,800
Transfers to Silverstone MD No. 3	3,713	4,550	295,602	295,602	9,800	-	9,800
<b>Subtotal intergovernmental</b>	<b>7,440</b>	<b>14,550</b>	<b>533,520</b>	<b>533,520</b>	<b>25,600</b>	<b>-</b>	<b>25,600</b>
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Subtotal debt service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>\$ 5,986,537</b>	<b>\$ 3,615,082</b>	<b>\$ 4,352,115</b>	<b>\$ 4,352,115</b>	<b>\$ 2,695,357</b>	<b>\$ -</b>	<b>\$ 2,695,357</b>
<b>(DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>\$ 2,910,237</b>	<b>\$ (3,569,941)</b>	<b>\$ (1,664,513)</b>	<b>\$ (1,664,513)</b>	<b>\$ (1,430,286)</b>	<b>\$ -</b>	<b>\$ (1,430,286)</b>
<b>OTHER FINANCING SOURCES</b>							
Debt proceeds	-	-	-	-	-	-	-
Developer advances received	-	750,000	-	-	750,000	-	750,000
Change in working capital	61,885	-	(83,077)	(83,077)	-	-	-
<b>Total other financing sources</b>	<b>\$ 61,885</b>	<b>\$ 750,000</b>	<b>\$ (83,077)</b>	<b>\$ (83,077)</b>	<b>\$ 750,000</b>	<b>\$ -</b>	<b>\$ 750,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2,972,122</b>	<b>(2,819,941)</b>	<b>(1,747,590)</b>	<b>(1,747,590)</b>	<b>(680,286)</b>	<b>-</b>	<b>(680,286)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>108,673</b>	<b>3,080,795</b>	<b>3,080,795</b>	<b>3,080,795</b>	<b>1,333,205</b>	<b>-</b>	<b>1,333,205</b>
<b>FUND BALANCE - END OF CURRENT PERIOD</b>	<b>\$ 3,080,795</b>	<b>\$ 260,854</b>	<b>\$ 1,333,205</b>	<b>\$ 1,333,205</b>	<b>\$ 652,919</b>	<b>\$ -</b>	<b>\$ 652,919</b>

# SILVERSTONE METROPOLITAN DISTRICT NO. 1

## 2021 BUDGET

### SUMMARY OF SIGNIFICANT ASSUMPTIONS

#### **Services Provided**

In accordance with its Service Plan, SilverStone Metropolitan District No. 1, formerly known as Miner's Village Metropolitan District, (the "District") was formed to finance the necessary public improvements to be constructed on the property known as "Miner's Village," which is located in Frederick, Colorado. Such public improvements include, but are not limited to, storm drainage, water, sewer, utilities, streets, traffic and safety controls, and parks and recreation improvements.

The Service Plan provides the ability for the District to impose a maximum mill levy for the combined debt service and operational and maintenance requirements of the District. The Service Plan also provides a combined new money revenue and general obligation debt limit of \$50,000,000 for SilverStone Metropolitan District Nos. 1, 2 and 3, exclusive of surety requirements, but inclusive of organizational costs, financing costs and costs of construction and operation of public infrastructure. To date, the District has not issued any general obligation debt and does not anticipate issuing such debt in 2020.

The District prepares its budget on the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

#### **Revenue**

##### **Developer Advances**

The District expects to receive approximately \$750,000 in advances from Silverstone Development Company (the "Developer") in 2020 to fund capital expenditures.

##### **Transfers from District Nos. 2 and 3**

The District expects to receive revenues of approximately \$1,250,000 from District No. 2 in 2021, which will be advanced from Developer to fund capital improvements and operating expenses of the Districts. The District also expects to receive \$15,000 from District No. 3 in 2021, which will mainly be derived from ad valorem property tax and specific ownership tax revenues.

##### **Ad Valorem Property Taxes**

Another source of revenue for the District is property taxes. Property taxes are assessed and collected based upon the assessed value of all of the non-exempt property located within the District. The District adopts mill levies for debt service and for operations which, when combined with the District's other sources of revenue, provide sufficient resources to pay the required debt service (if any), capital purchases and the estimated costs of operations for the calendar year.

Pursuant to the Service Plan and the Gallagher Amendment, the maximum mill levy limit increased to 55.663 mills in 2020. The District adopted a mill levy of 55.663 mills for general fund obligations in 2021.

The total taxable assessed valuation within the District in 2020 was \$1,200, a decrease of \$1,170 from the 2019 valuation.

##### **Specific Ownership Tax**

Specific ownership tax revenue is collected on annual motor vehicle registrations within Weld County and is distributed based upon the proportion of property taxes levied within the County during the preceding

calendar year. The specific ownership tax revenue is estimated to be 6.00% of the ad valorem property taxes collected in 2021.

### **Expenditures**

#### **Administrative**

Administrative expenditures have been estimated based upon the level of expenditures incurred by the District in prior years.

#### **Capital Outlay**

The District anticipates expenditures of \$2,567,7260 for capital improvements in 2021.

### **Reserve Funds**

The District has provided for an emergency reserve equal to \$652,919, which is intended for use on any unanticipated expenditures in 2021. Such emergency reserve is an integral part of the Ending Fund Balance.

### **Leases**

The District has no operating or capital leases.

**SILVERSTONE METROPOLITAN DISTRICT NO. 2  
GOVERNMENTAL FUND**

	2019		2020		2021 BUDGET			
	Actual	Final	Original Budget	Amended Budget (if applicable)	Projected Final	General Fund Budget	Debt Service Budget	Total Budget
<b>REVENUE</b>								
Taxes								
Property	\$	31,599	\$	29,785	\$	29,785	\$	68,180
Specific ownership		2,108		2,011		1,414		4,091
TIF		-		-		-		-
Intergovernmental								
Transfers from Silverstone MD No. 1		3,727		10,000		237,918		237,918
Transfers from Silverstone MD No. 3		-		-		-		-
Investment income		1,023		-		97		97
Other		-		-		150,000		150,000
<b>Total revenue</b>	<b>\$</b>	<b>38,457</b>	<b>\$</b>	<b>41,796</b>	<b>\$</b>	<b>419,213</b>	<b>\$</b>	<b>419,213</b>
<b>EXPENDITURES</b>								
Current								
County Treasurer's fees		478		447		448		448
Insurance		2,246		2,000		2,150		2,150
Accounting		-		-		2,385		2,385
Audit		1,550		6,500		6,405		6,405
Legal		-		-		-		2,000
Other		28		1,500		1,974		2,000
<b>Subtotal current</b>		<b>4,301</b>		<b>10,447</b>		<b>13,361</b>		<b>13,361</b>
Capital outlay								
Work in process		-		-		300,000		300,000
<b>Subtotal capital outlay</b>		<b>-</b>		<b>-</b>		<b>300,000</b>		<b>300,000</b>
Intergovernmental								
Transfers to Silverstone MD No. 1		8,825,000		35,000		2,672,551		2,672,551
Transfers to Silverstone MD No. 3		-		-		-		-
<b>Subtotal intergovernmental</b>		<b>8,825,000</b>		<b>35,000</b>		<b>2,672,551</b>		<b>2,672,551</b>
Debt service								
Loan origination fees / bond counsel		141,000		-		-		-
Custodial / trustee fees		-		-		-		-
Principal								
Series 2018A Limited Tax Revenue Bonds		-		-		-		-
Series 2018B Limited Tax Revenue Note		-		-		-		-
Interest								
Series 2018A Limited Tax Revenue Bonds		272,250		302,500		302,500		302,500
Series 2018B Limited Tax Revenue Note		-		-		-		-
<b>Subtotal debt service</b>		<b>413,250</b>		<b>302,500</b>		<b>302,500</b>		<b>302,500</b>
<b>Total expenditures</b>	<b>\$</b>	<b>9,242,551</b>	<b>\$</b>	<b>347,947</b>	<b>\$</b>	<b>3,288,411</b>	<b>\$</b>	<b>3,288,411</b>
<b>(DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>\$</b>	<b>(9,204,094)</b>	<b>\$</b>	<b>(306,151)</b>	<b>\$</b>	<b>(2,869,198)</b>	<b>\$</b>	<b>(2,869,198)</b>
<b>OTHER FINANCING SOURCES</b>								
Debt proceeds		5,500,000		-		-		-
Developer advances received		4,293,500		-		2,551,751		2,551,751
Change in working capital		253		-		67		67
<b>Total other financing sources</b>	<b>\$</b>	<b>9,793,753</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>2,551,818</b>	<b>\$</b>	<b>2,551,818</b>
<b>NET CHANGE IN FUND BALANCE</b>		589,659		(306,151)		(317,380)		(317,380)
<b>FUND BALANCE - BEGINNING OF YEAR</b>		63,050		652,708		652,708		652,708
<b>FUND BALANCE - END OF CURRENT PERIOD</b>	<b>\$</b>	<b>652,708</b>	<b>\$</b>	<b>346,557</b>	<b>\$</b>	<b>335,328</b>	<b>\$</b>	<b>335,328</b>
		-		-		-		-

## **SILVERSTONE METROPOLITAN DISTRICT NO. 2**

### **2021 BUDGET**

#### **SUMMARY OF SIGNIFICANT ASSUMPTIONS**

##### **Services Provided**

In accordance with its Service Plan, SilverStone Metropolitan District No. 2, formerly known as Miner's Village Metropolitan District, (the "District") was formed to finance the necessary public improvements to be constructed on the property known as "Miner's Village," which is located in Frederick, Colorado. Such public improvements include, but are not limited to, storm drainage, water, sewer, utilities, streets, traffic and safety controls, and parks and recreation improvements.

The Service Plan provides the ability for the District to impose a maximum mill levy for the combined debt service and operational and maintenance requirements of the District. The Service Plan also provides a combined new money revenue and general obligation debt limit of \$50,000,000 for SilverStone Metropolitan District Nos. 1, 2 and 3, exclusive of surety requirements, but inclusive of organizational costs, financing costs and costs of construction and operation of public infrastructure.

In 2019, the Board of Directors for District No. 2 authorized the issuance of Limited Tax Revenue Bonds, Series 2018A ("2018A Bonds") in an aggregate principal amount not to exceed \$5,500,000 for the purpose of (i) defraying the cost of all or a portion of the capital improvements; (ii) funding capitalized interest on the Bonds for a period of three year; and (iii) paying the costs of issuance of the Bonds. The Bonds are payable solely from ad valorem property tax revenues and specific ownership tax revenues collected by the Districts.

Also in 2019, the Board authorized the issuance of the Subordinate Limited Tax Revenue Notes, Series 2018B ("2018B Notes") to Silverstone Development Company (the "Developer") in an aggregate amount equal to the amount expended by the Developer, but not to exceed \$11,000,000 for the purpose of repaying Developer advances and/or for funding Capital Improvements in District Nos. 1, 2 and 3.

The District prepares its budget on the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

##### **Revenue**

###### **2018B Notes**

The District anticipates receiving an additional \$1,250,000 from Developer in 2021 under the terms of the 2018B Notes.

###### **Ad Valorem Property Taxes**

The primary source of revenue for the District is property taxes. Property taxes are assessed and collected based upon the assessed value of all of the non-exempt property located within the District. The District adopts mill levies for debt service and for operations which, when combined with the District's other sources of revenue, provide sufficient resources to pay for required debt service, if any, capital purchases and estimated costs of operations for the calendar year.

Pursuant to the Service Plan and the Gallagher Amendment, the maximum mill levy limit increased to 55.663 mills in 2020. The District adopted a mill levy of 55.663 mills for general fund obligations in 2021.

The total taxable assessed valuation within the District in 2020 was \$1,224,880, an increase of \$689,780 from the 2019 valuation.

### **Specific Ownership Tax**

Specific ownership tax revenue is collected on annual motor vehicle registrations within Weld County and is distributed based upon the proportion of property taxes levied within the County during the preceding calendar year. The specific ownership tax revenue is estimated to be 6.00% of the ad valorem property taxes collected in 2021.

### **Expenditures**

#### **Transfers to District No. 1**

The District expects to transfer \$1,250,000 from the 2018B Notes to District No. 1 in 2021 to fund capital improvements and operating expenses of the Districts.

#### **Debt Service**

In 2021, the District anticipates that it will make the required interest payments in the amount of \$302,500 to the 2018A Bond holders.

#### **Administrative**

Administrative expenditures have been estimated based upon the level of expenditures incurred by the District in prior years.

### **Reserve Funds**

The District has provided for a reserve equal to \$104,077 for 2021. Of this reserve amount, \$30,250 is the capitalized interest balance remaining from the issuance of the 2018A Bonds and the remaining \$73,827 is the emergency reserve balance, which is intended for use on any unanticipated expenditures in 2021. Such emergency reserve is an integral part of the Ending Fund Balance.

### **Leases**

The District has no operating or capital leases.

**SILVERSTONE METROPOLITAN DISTRICT NO. 3  
GOVERNMENTAL FUND**

	2019		2020		2021 BUDGET		
	Actual Final	Original Budget	Amended Budget (if applicable)	Projected Final	General Fund Budget	Debt Service Budget	Total Budget
<b>REVENUE</b>							
Taxes							
Property	\$ 6,886	\$ 7,623	\$ 7,623	\$ 7,623	\$ 13,393	\$ -	\$ 13,393
Specific ownership	459	515	362	362	804	-	804
TIF	-	-	-	-	-	-	-
Intergovernmental							
Transfers from Silverstone MD No. 1	3,713	4,550	295,352	295,352	9,800	-	9,800
Transfers from Silverstone MD No. 2	-	-	-	-	-	-	-
Investment income	1,387	-	40	40	-	-	-
Other	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 12,445</b>	<b>\$ 12,688</b>	<b>\$ 303,377</b>	<b>\$ 303,377</b>	<b>\$ 23,996</b>	<b>\$ -</b>	<b>\$ 23,996</b>
<b>EXPENDITURES</b>							
Current							
County Treasurer's fees	106	114	115	115	201	-	201
Insurance	2,150	2,000	2,367	2,367	2,500	-	2,500
Accounting	-	-	2,311	2,311	2,500	-	2,500
Audit	1,550	1,800	1,650	1,650	1,800	-	1,800
Legal	-	-	-	-	2,000	-	2,000
Other	28	750	1,974	1,974	1,000	-	1,000
<b>Subtotal current</b>	<b>3,833</b>	<b>4,664</b>	<b>8,418</b>	<b>8,418</b>	<b>10,001</b>	<b>-</b>	<b>10,001</b>
Capital outlay							
Work in process	-	-	327,093	327,093	283,893	-	283,893
<b>Subtotal capital outlay</b>	<b>-</b>	<b>-</b>	<b>327,093</b>	<b>327,093</b>	<b>283,893</b>	<b>-</b>	<b>283,893</b>
Intergovernmental							
Transfers to Silverstone MD No. 1	60,000	10,000	12,900	12,900	15,000	-	15,000
Transfers to Silverstone MD No. 2	-	-	-	-	-	-	-
<b>Subtotal intergovernmental</b>	<b>60,000</b>	<b>10,000</b>	<b>12,900</b>	<b>12,900</b>	<b>15,000</b>	<b>-</b>	<b>15,000</b>
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Subtotal debt service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>\$ 63,833</b>	<b>\$ 14,664</b>	<b>\$ 348,411</b>	<b>\$ 348,411</b>	<b>\$ 308,893</b>	<b>\$ -</b>	<b>\$ 308,893</b>
<b>(DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>\$ (51,389)</b>	<b>\$ (1,977)</b>	<b>\$ (45,034)</b>	<b>\$ (45,034)</b>	<b>\$ (284,897)</b>	<b>\$ -</b>	<b>\$ (284,897)</b>
<b>OTHER FINANCING SOURCES</b>							
Debt proceeds	-	-	-	-	-	-	-
Developer advances received	-	-	306,116	306,116	-	-	-
Change in working capital	48	-	23,542	23,542	-	-	-
<b>Total other financing sources</b>	<b>\$ 48</b>	<b>\$ -</b>	<b>\$ 329,658</b>	<b>\$ 329,658</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(51,341)</b>	<b>(1,977)</b>	<b>284,624</b>	<b>284,624</b>	<b>(284,897)</b>	<b>-</b>	<b>(284,897)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>56,397</b>	<b>5,056</b>	<b>5,056</b>	<b>5,056</b>	<b>289,680</b>	<b>-</b>	<b>289,680</b>
<b>FUND BALANCE - END OF CURRENT PERIOD</b>	<b>\$ 5,056</b>	<b>\$ 3,080</b>	<b>\$ 289,680</b>	<b>\$ 289,680</b>	<b>\$ 4,783</b>	<b>\$ -</b>	<b>\$ 4,783</b>

# **SILVERSTONE METROPOLITAN DISTRICT NO. 3**

## **2021 BUDGET**

### **SUMMARY OF SIGNIFICANT ASSUMPTIONS**

#### **Services Provided**

In accordance with its Service Plan, SilverStone Metropolitan District No. 3, formerly known as Miner's Village Metropolitan District, (the "District") was formed to finance the necessary public improvements to be constructed on the property known as "Miner's Village," which is located in Frederick, Colorado. Such public improvements include, but are not limited to, storm drainage, water, sewer, utilities, streets, traffic and safety controls, and parks and recreation improvements.

The Service Plan provides the ability for the District to impose a maximum mill levy for the combined debt service and operational and maintenance requirements of the District. The Service Plan also provides a combined new money revenue and general obligation debt limit of \$50,000,000 for SilverStone Metropolitan District Nos. 1, 2 and 3, exclusive of surety requirements, but inclusive of organizational costs, financing costs and costs of construction and operation of public infrastructure.

To date, the District has not issued any general obligation debt and does not anticipate issuing such debt in 2021.

The District prepares its budget on the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

#### **Revenue**

##### **Ad Valorem Property Taxes**

The primary source of revenue for the District is property taxes. Property taxes are assessed and collected based upon the assessed value of all of the non-exempt property located within the District. The District adopts mill levies for debt service and for operations which, when combined with the District's other sources of revenue, provide sufficient resources to pay for required debt service, if any, capital purchases and estimated costs of operations for the calendar year.

Pursuant to the Service Plan and the Gallagher Amendment, the maximum mill levy limit increased to 55.663 mills in 2020. The District adopted a mill levy of 55.663 mills for general fund obligations in 2021.

The total taxable assessed valuation within the District in 2020 was \$240,600, an increase of \$103,650 from the 2019 valuation.

##### **Specific Ownership Tax**

Specific ownership tax revenue is collected on annual motor vehicle registrations within Weld County and is distributed based upon the proportion of property taxes levied within the County during the preceding calendar year. The specific ownership tax revenue is estimated to be 6.00% of the ad valorem property taxes collected in 2021.

#### **Expenditures**

##### **Capital Outlay**

The District anticipates expenditures of \$283,893 for capital improvements related to the development of the Circle K parcel in 2021.

### **Transfers to District No. 1**

The District anticipates transferring \$15,000 in revenue from ad valorem property taxes and specific ownership taxes to District No. 1 in 2021 to fund operating expenses of the Districts.

### **Administrative**

Administrative expenditures have been estimated based upon the level of expenditures incurred by the District in prior years.

### **Reserve Funds**

The District has provided for an emergency reserve equal to \$4,783, which is intended for use on any unanticipated expenditures in 2021. Such emergency reserve is an integral part of the Ending Fund Balance.

### **Leases**

The District has no operating or capital leases.